

To: McGrath, Shaun[McGrath.Shaun@epa.gov]
Cc: Giles-AA, Cynthia[Giles-AA.Cynthia@epa.gov]
From: McCabe, Janet
Sent: Fri 3/18/2016 8:50:17 PM
Subject: Re: Call w/ Bryce Bird and Brock LeBaron on Monument Butte

To that end, I've asked Steve Page to have Mike Koerber from OAQPS get more engaged in consideration of the balance sheet approach. He can bring in both the oil and gas expertise and the state planning/permitting expertise as other eyes to help answer the kinds of questions Gina is asking.

Sent from my iPhone

On Mar 18, 2016, at 4:20 PM, McGrath, Shaun <McGrath.Shaun@epa.gov> wrote:

Understood. Thx

Sent from my iPhone

On Mar 18, 2016, at 2:11 PM, McCabe, Janet <McCabe.Janet@epa.gov> wrote:

Ok, Shaun.

Gina remains somewhat concerned about the balance sheet approach or reasons she mentioned when we met.

If EPA and BLM are reworking the approach, let's be sure to reconnect on it before it goes too far to getting final agreement.

Sent from my iPhone

On Mar 18, 2016, at 3:32 PM, McGrath, Shaun <McGrath.Shaun@epa.gov> wrote:

It looks like meeting next week is on. Newfield wanted to keep it on the schedule. we should be able to have a fairly positive message with the Gov in that we are all back at the table and talking -- something Gov had asked for.

Sent from my iPhone

On Mar 18, 2016, at 7:55 AM, McGrath, Shaun <McGrath.Shaun@epa.gov> wrote:

Thanks Janet. Another meeting that happened yesterday was between BLM,

Newfield (Jim Martin among others) and my team. It was a long meeting, and Newfield was pretty dug in initially, but in the end all agreed that BLM and EPA would put together a revised mitigation strategy (the balance sheet approach) and share it with Newfield in the next week. It was a significant breakthrough, and hopefully will allow us to keep moving constructively toward getting to yes, as Cynthia says. Additionally, we will possibly have another meeting between these parties and Gov Herbert next Wed, although we will suggest to the Gov that we hold off on such meeting to allow the current process/discussions underway to play out. I'll keep you posted on that.

Sent from my iPad

On Mar 18, 2016, at 5:51 AM, Giles-AA, Cynthia <Giles-AA.Cynthia@epa.gov> wrote:

That's fine. Probably good to connect the state air people with the NEPA people too, since they don't seem to understand that. The purpose of NEPA here is for BLM to evaluate impacts of a BLM decision to lease. NEPA can reveal that the impacts are too significant and thus BLM could decide not to approve the lease on that basis. That seems like what we see here – the air quality impacts of approving the lease are large (which is what is revealed in the NEPA analysis), so without more there would be a basis for BLM to deny the lease as having significant public health impacts. The mitigation idea (which is used in NEPA all the time, and is part of the rules and guidance from CEQ) is to look for ways to reduce the impacts to a level that would make the project approvable. That's what is happening here. If a company refuses to mitigate significant harms, the agency (here BLM) is faced with the choice whether to deny the application. We are trying to find a way to yes, and seems like there is a pretty common sense way to do that.

Note that Jim Martin is representing the company.

From: McCabe, Janet

Sent: Friday, March 18, 2016 7:42 AM

To: Giles-AA, Cynthia <Giles-AA.Cynthia@epa.gov>; McGrath, Shaun <McGrath.Shaun@epa.gov>

Subject: Fwd: Call w/ Bryce Bird and Brock LeBaron on Monument

Butte

Cynthia, Shaun--

Below is the summary of the call Carl convened with HQ and UT air officials on Butte.

I'll be seeing Gina this morning and can report to her if that's ok with folks.

Sent from my iPhone

Begin forwarded message:

From: "Page, Steve" <Page.Steve@epa.gov>
Date: March 18, 2016 at 7:17:43 AM EDT
To: "McCabe, Janet" <McCabe.Janet@epa.gov>
Cc: "Koerber, Mike" <Koerber.Mike@epa.gov>
Subject: Fwd: Call w/ Bryce Bird and Brock LeBaron on Monument Butte

Follow up to your request that we join Carl's meeting with Bryce and Brock.

Begin forwarded message:

From: "Daly, Carl" <Daly.Carl@epa.gov>
Date: March 17, 2016 at 8:29:45 PM EDT
To: "Page, Steve" <Page.Steve@epa.gov>, "Koerber, Mike" <Koerber.Mike@epa.gov>, "Rao, Raj" <Rao.Raj@epa.gov>
Subject: Fwd: Call w/ Bryce Bird and Brock LeBaron on Monument Butte

FYI

Carl Daly 303-312-6416

Begin forwarded message:

From: "Daly, Carl" <Daly.Carl@epa.gov>
Date: March 17, 2016 at 5:23:44 PM MDT
To: "McGrath, Shaun" <McGrath.Shaun@epa.gov>
Cc: "Jackson, Scott" <Jackson.Scott@epa.gov>, "Razzazian, Christopher" <Razzazian.Christopher@epa.gov>, "O'Connor, Darcy" <oconnor.darcy@epa.gov>, "Card, Joan" <Card.Joan@epa.gov>, "Strobel, Philip" <Strobel.Philip@epa.gov>
Subject: Call w/ Bryce Bird and Brock LeBaron on Monument Butte

Shaun

I had a call with Bryce Bird and Brock LeBaron with the UT Division of Air Quality this afternoon to compare notes on the Monument Butte project.

Chris Razzazian, our Air Program NEPA reviewer, joined me and Raj Rao from OAQPS also was on the call representing Steve Page.

I went over the background on EPA's discussions with BLM on the Monument Butte project and the letters to BLM from Newfield's attorneys. Brock was familiar with Newfield's letters. I explained the "Balance Sheet" approach that the NEPA Program has been discussing with BLM. Brock offered that the inventory tracking tool that UT DAQ developed could be used by BLM to show emissions decline (or growth). I responded that the UT tool may be able to be used although my understanding was that the approach we were discussing with BLM was for Newfield to track their own emissions year by year (versus the entire Basin's emissions) to allow their MB project to proceed (if their own emissions were not increasing).

Brock then also mentioned that there is some question from UT about the role of NEPA. Is it just to disclose impacts or does it require mitigation of impacts. I deferred that issue to

our NEPA Program.

I noted the calls between the Governor and the Administrator. Bryce noted that he has heard that the Governor is concerned with royalty payments to the state that would decline if development is slowed on state land that is impacted by the BLM's NEPA analysis. He also added that Governor has heard that EPA is asking for mitigation that EPA wouldn't have the authority to require under the Clean Air Act. I responded that my understanding was that the approach EPA was asking BLM to consider would not require any specific mitigation (other than "applicant committed measures"), but rather the Balance Sheet approach where Newfield could find reductions from any source including existing regs (such as NSPS OOOO) and future regs (such as if we finalized a U&O FIP).

Bryce and Brock both still thought that the DEQ position was one of support regarding EPA issuing rules to control existing oil and gas sources on the U&O Reservation, but they could not speak for the Governor's office. They did not have any information regarding the potential meeting next week and noted that the Governor's energy advisor was handling that.

Carl Daly, Director

Air Program

303-312-6416